

SBICAP Securities Limited
Insurance Business Solicitation
&
Servicing Policy
January, 2016

1. Purpose

The purpose of this Policy is to define a framework for solicitation and servicing of insurance business and to define a control structure for supervision of these activities.

This Policy shall also lay down the factors that need to be considered for adoption of the philosophy of Open Architecture as envisaged in IRDAI (Registration of Corporate Agency Regulations), 2015 (hereinafter referred as "Regulations"), in line with the mission, vision and business strategy of SBICAP Securities Ltd (hereinafter referred to as SSL/ Company).

2. Scope

This policy shall apply to all the personnel and staff of SSL. The policy will also cover the contractual relationships entered by SSL and having direct or indirect relation and or impact to any of the insurance business related activity of SSL.

3. Insurance Arrangements

At present SSL has tie up with SBI Life Insurance Company Ltd & SBI General Insurance Company Ltd as a Composite Corporate Agent under the current regulations of Insurance Regulatory & Development Authority of India (IRDA). The IRDAI has issued notification of new regulations for registration of Corporate Agents - Regulations -2015 which, advises the Board to review and formulate the Company's policy on "open architecture" and provides an opportunity of multiple insurer tie-ups. wherein SSL can have tie up with :-

- Three Life Insurance Companies.
- Three General Insurance Companies
- Three Health Insurance Companies

SSL shall register as a Composite Corporate Agent in accordance with the Regulations for solicitation and servicing insurance policies. SSL would have arrangements with more than one insurance Company in all the categories of insurance business i.e. life, general and health to leverage its relationship as a platform for cross-selling insurance products along with its various financial products distribution such as Demat & Online Trading accounts, IPOs, Tax free Bonds, Mutual Fund, PMS, etc.

Insurance arrangements would be finalized based on following factors:

- Insurers specializing in different segments of products and catering to the needs of this wide customer base would be ideal for partnership.
- Brand value and market reputation of the insurance companies
- Experience in designing and managing products catering to the needs to SBICAP Securities Ltd's customer base.
- Penetration levels and geographical presence of the insurer across the country, number of points of presence.
- Assets Under Management (AUM)
- Market Share
- Persistency, Claims and Complaints Ratios
- Operational services and IT support

SSL wishes to leverage upon the new concept of open architecture proposed by the insurance Regulator and build relationships with well-known & customer centric Three Life Insurance Companies, Three General Insurance Companies & Three Health Insurance Companies for soliciting and promoting insurance business PAN India to its existing as well as new customers.

4. Product Mix

SSL would sell below listed categories of insurance products to its customers.

Category of Business	Type of products
Life	Protection plans, Annuity plans, Pension plans, investment plans like endowment, Unit Linked plans, etc. and a selection of riders attachable to the policies (individual and group, both)
General	Motor, Home Insurance for Individuals, Aviation, Fire, Marine, Construction & Engineering, Liability, etc. (individual and group, both)
Health	Health, personal accident, Group Health, Group Personal Accident, etc.

The insurance products shall only be offered as ancillary product along with principal business product, based on need and financial analysis. No prospect/customer shall be compelled to buy an insurance product being offered along with SSL's products.

5. Effective Date :

This Policy shall be effective from the date of approval by the Board of Directors ("the Board").

6. Authority

The Managing Director shall nominate an Officer as the 'Principal Officer' of SSL in accordance with the Regulations. The designated Principal Officer shall have the responsibility to control, manage, and supervise all insurance business related activities.

7. Responsibility

a) Responsibilities of Management and Directors shall include following:

- Ensure compliance with the Code of Conduct prescribed under the Regulations
- Disclosure of all material facts to the IRDAI as required under the Regulations
- Ensure there is no conflict of interest between:
 - Various entities within the Group
 - Activities with insurer as Corporate Agent, as promoter and as any other activity.
 - Maintain arms length relationship in regard to financial transactions between its activities as Corporate Agent and other activities

b) Responsibilities of the Principal Officer shall include following:

- Complete practical training and examination as required under the Regulations
- Supervise the Corporate agency activities of the Company/Firm
- Ensure that Specified Persons and other employees are trained and certified, in accordance with the Regulations
- Ensure compliance with the Code of Conduct prescribed under the Regulations
- Ensure prospect/customer are not compelled to buy insurance product being offered along with SBICAP Securities Ltd' products
- Ensuring correct and timely submission of periodic returns to IRDAI in the prescribed format
- Submission of application to IRDAI for issuance/renewal of certificate to act as Specified Person, in accordance with the Regulation.
- Define adequate steps for redressal of grievances
- Maintenance of records as prescribed under the Regulations
- Co-ordination with IRDAI and insurance companies in day to day matters
- Any such other duties or obligations as may be prescribed by IRDAI from time to time

c) Responsibilities of Specified Person/other employees shall include following:

- To complete practical training and examination as required under the Regulation
- Ensure compliance with the Code of Conduct prescribed under the Regulations.
- Not to compel prospect/customer to buy an insurance product being offered along with SBICAP Securities Ltd' products.
- To provide due support and guidance to policyholders at the time of procuring/solicitation of policies and in policy servicing, claims and grievance related matters
- Ensure adequate and timely support to Principal Officer/Directors/Management in order to fulfill the obligations under the Regulations
- Any such other duties or obligations as may be prescribed by IRDAI from time to time

8. Solicitation

- Insurance shall be solicited only by the employees holding a valid certificate issued by IRDAI to act as Specified person, under the Regulation.
- The prospect/customer will not be compelled to buy an insurance product being offered along with SBICAP Securities Ltd' products.
- Insurance product shall be offered on the basis of need analysis and financial assessment of the customer.
- All requisite information along with scale of commission and premium to be charged by insurer, in respect of the insurance product being offered, shall be disseminated to the prospect/customer.
- Prospect/customer shall not be induced to omit or submit any wrong information in the proposal form.
- SSL may undertake distance marketing activities, as specified under the Regulations, on its own or by engaging third party service provider as required under the Regulations. Such arrangements shall be made with mutual consent of the insurer and in compliance with applicable Regulations.
- SSL shall not undertake multi level marketing for soliciting or procuring insurance products.

9. Remuneration

SSL shall receive or contract to receive remuneration from an insurance Company only in accordance with the Regulations notified by IRDAI in this regard, from time to time and shall disclose remuneration received from insurers as required under the Regulations.

None of the employees of the Company including designated Principal Officer and employee holding a valid certificate issued by IRDAI to act as Specified person, shall receive or contract to receive any incentive (cash or non cash) from any of the insurance companies.

10. Servicing

SSL is committed to service its customers during the entire period of the contract in accordance with the procedure defined and implemented by the Principal Officer and as required under the Regulations. Servicing of policies would include aspects like:

- assisting in payment of premium in accordance with Section 64VB of the Insurance Act, 1938,
- providing necessary assistance and guidance in the event of a claim,
- providing all other services and guidance on issues which arise during the course of an insurance contract,
- handling of customer requests, complaints and queries

Under no circumstances, any employee including Principal Officer will act in a manner which will not be in the interest of the policyholder or the Company or the insurer. Primarily, Specified Persons along with Principal Officer will be responsible to ensure compliance with servicing standards specified by the IRDAI, insurers and the Company, but other employees

dealing with the customers will also be responsible to ensure adherence to the prescribed servicing standards.

SSL will make efforts at all times to impart knowledge and enhance the level of quality of the employees dealing with customers so that they can meet the trust and expectation of customers. SSL will define and document the processes towards each of the aspects specified above which will be kept updated from time to time.

11. Grievance Redressal Mechanism

SSL's grievance redressal mechanism shall be enhanced to address the concerns raised by the policyholders relating to their insurance policies. Insurance products come with lot of caveats which must be explained to prospective customers so that customer takes informed decision and does not face any hurdles at the time of taking benefits out of his/her insurance policy. Under grievance redressal mechanism, Customer will be allowed to approach any of the designated offices or call centers of the Company to register a complaint.

- All complaints will be recorded in the complaints system/register and due acknowledgement will be issued to customers with unique reference number for tracking of complaint.
- All the personnel across the Company who directly or indirectly deal with customers will be provided training to handle insurance related complaints.
- The complaints of the customers will be duly reviewed and if required, investigated suitably and adequately.
- Customer will be duly responded with review or investigation findings within prescribed regulatory timelines along with information regarding escalation matrix, in case customer is not satisfied with the response of the Company.
- As and when required, a complaint will be dealt at the appropriate senior level of SSL for timely and proper resolution.

12. Maintenance of records and Reporting Requirements

- SSL shall maintain all records and furnishing periodic reports/ returns to IRDAI as prescribed under the Regulations.
- SSL shall share all such information with the insurer, as may be required in relation to the insurance business undertaken by the Company.

13. References

This policy has been drafted with reference to following:

- IRDAI (Registration of Corporate Agents) Regulations, 2015
- IRDAI (Protection of Policyholder's Interests) Regulations, 2002
- Insurance (Amendment) Act, 1938
- IRDA Act, 1999
- Any other applicable regulation or statute for the time being in force

14. Policy and Interpretations

- SSL shall endeavor to reinforce the internal control system so that it can make appropriate solicitation in compliance with any laws and regulations that relate to the business and operations of the insurance related activities of the Company.
- SSL intends to provide customers with appropriate information through need analysis so that customers can conduct transactions with the Company with complete information and his/her own judgment.
- Upon adoption of this policy, all present arrangements and processes related to insurance business related activities such as solicitation, servicing, grievance management etc shall be reviewed and either reaffirmed or discontinued, as the case may be,
- The above constitutes the entire policy on solicitation, servicing, grievance management, claims management and open architecture adopted by SSL.
- This policy shall be administered by the Principal Officer of the Company and owned by Sales & Distribution department.
- Interpretations of the above shall be the responsibility of the Principal Officer of the Company.

15. Exceptions to Policy

- SSL recognizes that there are activities associated with the performance of one's official duties as an employee of the Company which involve activities related to insurance business, as specified above. Nothing herein shall be construed as prohibiting activities which are inherent to the execution of one's duties and which are performed in an official capacity for the Company.
- Extenuating circumstances may justify exceptions to this policy. Requests for such exceptions and justifications should be made in writing and forwarded to the Managing Director of the Company.

16. Review :

The policy will be reviewed for its effectiveness on an ongoing basis and be amended as required in case of change in regulatory requirements.